

TO: All FHA-approved Mortgagees Originating and Servicing Home Equity Conversion Mortgages
All FHA-approved Mortgagees
All Other Stakeholders in FHA Transactions

NEWS AND UPDATES

In this Announcement:

- HECM: FHA Systems Updates for September 18th Release
- HECM Counseling Certificate Changes
- HECM Final Rule Policies Reminder
- Training Opportunities

See below for details.

HECM: FHA Systems Updates for September 18th Release

On September 18, 2017, the Federal Housing Administration (FHA) will update its FHA systems to accommodate:

- The implementation of origination and servicing policies contained in the Home Equity Conversion Mortgage (HECM) program [final rule](#) that published on January 19, 2017;
- The servicing implementation guidance issued in [Mortgagee Letter 2017-11](#) on August 24, 2017; and
- The changes to the HECM Mortgage Insurance Premium Rates and Principal Limit Factors announced in [Mortgagee Letter 2017-12](#) on August 29, 2017.

Updates will be made to the following systems:

- FHA Connection (FHAC)
- Computerized Homes Underwriting Management System (CHUMS)
- FHA HECM Calculation Software
- Home Equity Reverse Mortgage Information Technology (HERMIT)

While FHA systems updates will be visible on Monday, September 18th, the HECM final rule changes will be effective for all FHA case numbers assigned on or after September 19, 2017, and the Mortgage Insurance Premium Rates and Principal Limit Factors changes will be effective for all FHA case numbers assigned on or after October 2, 2017.

FHAC/CHUMS

A FHAC and CHUMS Release Notes document outlining the updates to be made to FHAC and CHUMS can be viewed on the [HECM for Lenders](#) webpage on HUD.gov.

HERMIT

FHA also intends to implement changes to HERMIT to support the servicing policy changes included in the HECM final rule and the additional guidance announced in Mortgagee Letter 2017-11; more detail on these changes, including the Release Notes and the updated User Guide, will be available on the [HERMIT System and Resources](#) webpage on HUD.gov and the HERMIT homepage.

HECM Calculator Software

Version 2.4 of the HECM Calculation Software will include HECM final rule changes, and the Mortgage Insurance Premium and Principal Limit Factor changes that were announced in Mortgagee Letter 2017-12.

HECM Calculator Software test scenarios , including specific software updates, will be available on the [HECM for Lenders](#) webpage under “Software.”

HECM Counseling Certificate Changes

On September 18, 2017, the Federal Housing Administration (FHA) will provide mortgagees that originate Home Equity Conversion Mortgage (HECM) loans the option to view and print HECM Counseling certificates in FHA Connection (FHAC). The counseling certificate in FHAC will not be signed. While the mortgagee may still take the initial loan application, the mortgagee can only proceed to process it once the counseling is complete, as evidenced by a completed HUD 92902 (HECM Counseling Certificate) that contains the signatures of both the counselor and borrower.

Mortgagees that choose to access this enhancement will be required to:

- Establish procedures to obtain and document authorization from the HECM borrower to access the counseling certificate in FHAC;
- Certify in FHAC that borrower authorization to view the counseling certificate was obtained; and
- Follow the guidance on processing HECM loans contained in HUD Handbook 7610.1 REV 5 (*Housing Counseling Program Handbook*), Appendix A (HECM protocol), sections A.8 Lender Communications and A.9 Lender Activities.

To access HECM Counseling certificates, mortgagees will need the:

- Borrower name and address before the certificate link appears on the screen; and
- After the certificate link appears on the screen, mortgagees will then need to check an authorization certification statement indicating prior approval from the HECM borrower to access the borrower certificate.

HECM Final Rule Policies Reminder

All policies contained in the [Home Equity Conversion Mortgage \(HECM\) final rule \(82 FR 7094\)](#) become effective for FHA case numbers assigned on or after September 19, 2017.

Mortgagees should prepare to implement all new and revised policy contained in HECM final rule using the final rule information published in the *Federal Register* on January 19, 2017. Furthermore,

mortgagees must ensure all loan documents comply with the HECM final rule. FHA will issue updates to existing model loan documents at a later date.

[Quick Links](#)

- View HECM Final Rule: <https://www.federalregister.gov/documents/2017/01/19/2017-01044/federal-housing-administration-strengthening-the-home-equity-conversion-mortgage-program>
- View FHAC Homepage: <https://entp.hud.gov/clas/index.cfm>
- View Mortgagee Letter 2017-11, *Implementation of HUD's January 2017 Home Equity Conversion Mortgage (HECM) Final Rule*:
<https://portal.hud.gov/hudportal/documents/huddoc?id=17-11ml.pdf>
- View Mortgagee Letter 2017-12, *Home Equity Conversion Mortgage (HECM) Program: Mortgage Insurance Premium Rates and Principal Limit Factors*:
<https://portal.hud.gov/hudportal/documents/huddoc?id=17-12ml.pdf>

TRAINING AND EVENTS

Webinar Title: **NEW** Servicing FHA-Insured Mortgages in Presidentially-Declared Major Disaster Areas (PDMDAs)

Date/Time: Wednesday, September 27, 2017, 2:00 PM to 3:00 PM (Eastern)
OR
Wednesday, October 18, 2017, 2:00 PM to 3:00 PM (Eastern)

Event Location: On-line Webinar - No Fee

Jurisdictional Host: National Servicing Center

Registration Link: <https://attendee.gotowebinar.com/rt/7725360397115866627>

Description: The Federal Housing Administration's (FHA) National Servicing Center will review guidance for servicing FHA-insured mortgages located in a Presidentially-Declared Major Disaster Area (PDMDA). Topics for discussion include: identifying a PDMDA, foreclosure moratorium requirements, and available loss mitigation options.

Special Instructions: This webinar is open to all FHA-approved servicers and FHA-approved housing counselors. A company email address and the FHA 5-digit lender and/or agency ID are required at the time of registration.

Note: This webinar is being held on two different dates; however, the registration link is the same for both dates. When registering, you must select the appropriate date for the session you want to attend.

For more information, contact stacey.a.brown@hud.gov.

Course Title: **NEW** FHA Lender Training – Seattle, WA

Date/Time: Thursday and Friday, September 28 - 29, 2017, 8:30 AM to 5:00 PM (Pacific)

Check-in begins 30 minutes before the start of the session.

Event Location: Jackson Federal Building
915 2nd Avenue
Room No: North Auditorium
Seattle, WA 98174

Jurisdictional Host: Santa Ana Homeownership Center

Registration Link: <http://www.hud.gov/emarc/index.cfm?fuseaction=emar.registerEvent&eventId=3200&update>

Description: This free, on-site, two-day training will provide an overview on a wide range of topics including *Single Family Housing Policy Handbook* 4000.1; underwriting the FHA appraisal; endorsement protocols; the new Loan Review System (LRS), which implements the Defect Taxonomy; and more. Direct Endorsement (DE) underwriters, loan processors, and other seasoned mortgage lending professionals will find this training highly beneficial.

Special Instructions: Seating is limited and available on a first-come, first-served basis. Walk-ins are welcome, but no guaranteed admittance.

NOTE: On-site parking is available at this location. Lunch will be on your own; Wi-Fi is not available in the building.

This training is being held in a government facility. Be advised that the on-site security screening is like an airport security screening. Attendees must provide a valid, government-issued photo ID and course registration confirmation at the guard station. Please allow extra time to go through the screening process. For more information, contact briyanna.l.talley@hud.gov or call (714) 907-0763.
